Merchant banking and leasing facilities for Foreign Banks

1737. SHRI K. VASUDEVA PANIC KER: Wiil the Minister of FINANCE be pleased fo state: ...

(a) whether foreign banks operating in India have sought permission from the Reserve Bank to set up subsidiaries to undertake merchant banking and leasing activities and promote mutual funds; and

(b) if so, what is Government's decision thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI); (a) and (b) Reserve Bank of India (RBI) has reported that ccrtain foreign banks operating in India have submitted proposals to RBI for setting up subsidiaries in India for undertaking merchant banking, venture funds, leasing business]activities etc. No final decision has yet been taken by the Reserve Bank of India.

Export of polyester staple fibre, etc.

1738. SHRI K. VASUDEVA PANICKER: Will the Minister of TEXTILES be pleased to state:

(a) whether the Indian Cotton Mills Federation has opposed the export of polyester staple fibre (PSF) and polyester filament yarn (PEY):

(b) if so, what ar-; the reasons therefor; and

(c) what is Government's reaction thereto?

THF MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) Yes, Sir.

(b) Indian Cotton Mills Federation had opposed the exports of Polyester Staple Fibre (PSF) and Polyester Filament Yarn (PFY) for fear of rise in domestic prices.

(c) The Government have decided to allow the exports of these two items within quantitative ceilings, after considering 'all relevant factors.

Frauds' and corruption cases in Banks

1739. SHRI D. B. CHANDRE GOWDA: Will the Minister of FINANCE be pleased to state::

(a) whether Government have received any complaints of graft, frauds and corruption in some banks during the last one year

(b) whether Government propose to penalise those who are found involved in these frauds; and

(c) if so, what are the details thereof and what action has so far been taken by Government against those who were found involved in graft, frauds and corruption?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) Complaints of graft, frauds, corruption etc. against bank employees have been received during the year. Whilst some complaints have been looked into hy CBI, others have been examined by RBI and the vigilance machinery of the banks concerned. Steps have been taken to impose punishment wherever it was found warranted During the year 1987 (upto 30th June), the following number of bank employees have been punished in connection with frauds, corruption etc.:

	Frauds	Corruption
1 No. of employees convicted	46	
2 No. of employees given major/minor penalties	370	275
3 No. of employees out of (2) above dismtssed/discharged/removed	137	53